

Ongoing negotiations over the limits of our national debt and its reduction have all Americans questioning where we draw the credit line. At \$14 trillion, every American household is responsible for nearly \$80,000 of our debt. We must not add a penny to that multi-generational obligation without first setting a course of action which will end in a much-improved financial picture for the nation.

Holding firm will be a challenge. Only one third of the annual federal budget this year will come from spending decisions by Congress. We have plenty of opportunities to reduce spending within that third, where Republicans have committed to finding difficult savings.

I introduced an appropriations bill covering the U.S. Treasury last week which would cut the Internal Revenue Service, the Executive Office of the president and nearly 40 independent agencies of the federal government by almost ten percent from last year, a year in which we also drew down the rate of spending in this section of the federal government.

It will surprise no one that the Obama Administration wanted to spend not less, but more. Our first priority is to bridge the Administration's disconnect between more federal spending and more federal debt. Congress' power of the purse is especially relevant today; our Founders wanted the nation's legislature to have the ability to curb the growth of the federal bureaucracy.

Using a scalpel and not a hatchet, we can always find places to stop needless federal rules and regulations, trim the expenditures of agencies we expect to do more with less, and bring the budget of the average government office into line with the budget of the average American household.

The aim of these spending reductions and limitations on government is also to boost the economy, giving small businesses the breathing room to take on risks and create jobs.

So it is more than reasonable to cut spending at the same time we simplify our federal tax code, closing loopholes for multinational corporations. At the same time, the tax rate imposed on American businesses is higher here than nearly anywhere else in the developed world. Companies organize their tax liabilities, with some locating jobs and revenue overseas, to limit

and avoid tax bills. It's easily done; you can take your business pretty much anywhere else around the globe and pay less in taxes than you do in America.

Changing that disincentive is a powerful way to reaffirm the American spirit of innovation and a chance to do something tremendously positive for our economy.

Oh, and there is one further benefit we should talk about when considering changes to the corporate tax code in our country -- it can also help us reduce our national debt.